

## MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the of hour of 11 a.m. Under the previous order, the first half of the time shall be under the control of the Democratic leader or his designee.

Mr. BENNETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. LAUTENBERG pertaining to the submission of S. Con. Res. 13 are printed in today's RECORD under "Statements on Submitted Resolutions.")

Mr. LAUTENBERG. Mr. President, I send the resolution to the desk and ask unanimous consent that it be held there.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank my colleague from New Jersey. I think the resolution that he and other colleagues bring before us is certainly one that should be considered seriously for those who are committed to human rights.

#### THE STATE OF THE AMERICAN ECONOMY

Mr. DURBIN. Mr. President, I would like to move the spotlight of the comments on the Senate floor this morning from the international scene to the domestic scene, and point to the front page headline of the New York Times, Wednesday, March 5: "U.S. Budget Deficit Seen Rising Fast." This is an analysis that they report which comes from the Republican-controlled House Budget Committee. It is a startling piece of information. I will read the first two paragraphs from this article:

The federal deficit is growing much more quickly than expected, even before Congress takes up President Bush's tax-cutting proposals and without factoring in the costs of a war in Iraq, Congressional analysts have concluded.

Analysts for the Republican-controlled House Budget Committee have raised their estimates of this year's budget shortfall by about \$30 billion, some 15 percent beyond the forecast . . . issued only five weeks ago.

We come today to discuss many issues, but certainly one of the overriding issues is the state of the American economy and what we are doing on Capitol Hill to deal with the challenges we face.

There was a time, not that long ago, when the Republican leaders, conserv-

ative in philosophy, really condemned the whole problem of deficits in our country and said they were dedicated to eliminating them. Now we hear from Treasury Secretary Snow and others that deficits are meaningless: Don't worry. Be happy.

The concept of going to a \$400 billion deficit next year is not only a troubling prospect but represents a dramatic turnaround in terms of Federal spending in Washington, DC.

When this President came to power—President George W. Bush—he inherited a surplus. He came into office with a set of circumstances that any President, any Executive, would be happy to find. We had reached the point where we were not overspending.

Of course, the President, as he came to office, saw the beginning of a recession which has become progressively worse under his administration to the point now where we see consumer confidence at historic lows, unemployment at historic highs, people in business across America depressed and sometimes despondent over whether we are going to find our way out of this budget problem.

Second, the President—and this, of course, in fairness, is not his doing by any means—inherited the age of terrorism and the threat of terrorism which has created a dampening problem across the economy that cannot be diminished. That is a major factor.

So he has a recession which has become progressively worse while he has been in the White House, terrorism which has cast a pall over the economy, but then this President made matters worse. Two years ago he said to this country, even though we are facing deficits, the thing we should do first is to cut taxes. Any politician who announces a tax cut is going to get applause. People love that idea. Of course, they would, to think they would have more money that is not taken by the Government. But the President came up with this proposal at exactly the wrong time in exactly the wrong way. In a deficit situation, he made it worse.

Two years ago, he proposed a tax cut which took more money out of the treasury and, frankly, did not invigorate the economy. He gave a tax cut to the wealthiest people of America. It is the age-old Republican approach. They believe if tax cuts are given to the wealthiest people, somehow that will eventually help middle-income families and those in the lower income categories. It didn't work 2 years ago. People in the lower income categories saw a \$300 check, and they didn't change their lifestyle. It did not invigorate the economy. Things went from bad to worse. Now this President comes and tells us what we need for the economy is more of the same, tax cuts for the wealthiest people.

Quite honestly, if it didn't work 2 years ago, it is not going to work now. It won't invigorate the economy. It will drive up the deficit at a time when

the bottom is falling out of the Federal budget.

Don't take my word for it. The Republican House Budget Committee tells us we are about to see a record deficit. This President's proposal for tax cuts over a 10-year period of time will dramatically increase the national debt. It means our children and our grandchildren will have to shoulder the burden of the debt we are leaving them. It means programs such as Social Security are likely to languish and suffer because of this President's reckless economic policies.

To think this deficit is coming out of the Social Security trust fund should give us all pause. You know the demographics. The baby boomers are about to reach an age when they qualify for Social Security and Medicare. We should be mindful of that. We should be preparing for that. We should be cautious and prudent.

Instead, this White House and many who support it have said: Forget it; don't worry about it. Keep borrowing money from the Social Security trust fund. Keep jeopardizing the future of Medicare, drive up the deficits, increase the tax cuts so that tax breaks can be given to the wealthiest people.

Why in the world would we follow this course of action? Those who call themselves conservatives should have an examination of conscience, as the nuns used to tell me many years ago in grade school. They should sit down and ask themselves, Is this really why I came to Congress, to build up a national debt to record levels?

Let me add one important footnote. There is another tax out there that this administration will not talk about. It is called the alternative minimum tax. It was created years ago to make sure people who escaped all tax liability, people in the highest income categories, would pay something, an alternative minimum tax. But sadly, this tax, without reform, has grown in terms of its application, has grown in terms of the people who are being affected by it to the point that in just a few years you will see more and more middle-income Americans paying more in an alternative minimum tax than they are paying in their regular income tax rates.

Who will be the people affected by this? People with incomes below \$100,000, middle-income families. People with a teacher in the family and a policeman, for example, will find themselves paying an alternative minimum tax.

What does it take to fix this problem? A lot of money; to eliminate it, \$600 billion that this President has not budgeted for.

This President and his administration refuse to tell Congress and the people what we are getting into in terms of our exposure in the war in Iraq, how much it will cost. Larry Lindsey, the President's economic advisor until he was asked to leave a few weeks ago, blurted out that this war

would cost us \$100 to \$200 billion. He was asked to leave the administration for his candor. Now we can't get the administration to even tell us what this war, not only the waging of it but the cost of the occupation force afterwards, is going to cost. It isn't even factored into the budget deficit.

Make no mistake, I will say this as a person who has questioned this administration's approach on foreign policy. If and when this war begins, I will join an overwhelming bipartisan majority in Congress to provide every penny necessary to wage this war successfully and bring our men and women home safely, having completed their mission. We are going to do that. It is a given. To ask the administration what this is likely to cost is not unreasonable. We went into a bidding war over the last several weeks when it came to Turkey, how much money we would send to Turkey, if they would allow us to base our troops there for an invasion of Iraq. The numbers went from \$15 billion to \$26 billion. We were bidding right and left. What is it going to cost overall?

This administration is not putting money into homeland security. This administration is not budgeting what it takes to defend America against terrorism. We are budgeting what it takes to prepare to attack in Iraq; we are not budgeting what it takes to prepare to defend in America.

When all these are put together, understand that we are headed down a perilous course with President Bush's economic policy. It is a course which, frankly, is not going to invigorate the economy; it is not going to create jobs; it will not create consumer confidence. It will create a debt and deficit at the expense of Social Security and Medicare for generations to come. We should not, in a weak moment, rally behind a President who clearly is on the wrong course when it comes to America's economy. We need to stand up and make certain that we are going to work for a sound economy, a fiscal approach that is prudent and cautious and takes into consideration the needs of America in the long term.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). The Senator from Nevada.

#### EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent—this has been cleared with the majority—that the Democrats be entitled to 45 minutes in morning business, and the Republicans 45 minutes, because of the prayer.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Michigan.

#### MEDICARE

Ms. STABENOW. Mr. President, I rise to thank my colleague from Illi-

nois for his eloquence regarding the direction of our economy and the Federal budget and the grave concern he has that I share about the looming and massive long-term debt that is accumulating by the policies of this administration.

When we look at where we are going and the fact that the entire Medicare and Social Security trust funds are currently being used to fund tax cuts geared to the very top, the very wealthiest 1 percent, and when we look at the discussions we are having in the Budget Committee, we begin to see a picture that is disturbing. Because when we ask what will happen, when we are using all of these funds for other purposes, and we know that in just a matter of a few years, the baby boomers will begin to retire en masse and they have the expectation, as they should, that Social Security and Medicare will be there for them, they have paid into the system, and we are told, when we ask, how will we afford that, how will we be able to keep that commitment, well, that assumes that Medicare and Social Security will be structured the way they are today. That assumes there will be no reform.

What is becoming clear is that reform is a code word for privatizing; that there is a real interest, a commitment and movement to privatize or eliminate Medicare and Social Security, as we know it, in the long term.

Today I wish to speak again very specifically about Medicare because I believe that is the most imminent threat because the debate that has occurred since 1965, when Medicare passed, in various forms is occurring yet again today. That is the question of whether Medicare is a big American success story, which I believe it is, or just a big Government program, which I believe this administration feels it is.

I wish to speak specifically about special interest politics versus the needs of the public, the willingness to provide tax policy that benefits only a few, rather than the middle class, and small businesses that drive our economy, as well as the fact that in Medicare, we are seeing a willingness to move the system in a way that benefits, again, special interests over the needs of all of our seniors and the disabled in our country.

On page A6 of the Washington Post this morning, there is a very disturbing article. It says: "Bush Plan a Boon to Drug Companies." The President went before the American Medical Association yesterday and spoke about his plans for Medicare, again using the word "reform," which we know now is a code word for "privatization." Reform equals privatize when we talk about this issue of Medicare. We now find that it also directly relates, once again, to special interest politics, which is very disturbing.

The second headline is: "Medicare Prescription Proposal Would Also Benefit Insurers, Analysts Say." Not the insured, not the seniors about whom we

all talk, not the disabled people about whom we all talk, but the insurance industry.

It begins:

Health care economists said the drug benefit President Bush proposed for Medicare yesterday would be a bonanza for the pharmaceutical and managed-care industries, both of which are huge donors to Republicans.

It went on to say:

Marilyn Moon, a health economist at the Urban Institute, said Bush's plan would hand tremendous negotiating power to health insurance companies.

"By making the private plans such a central part of the future of Medicare, the government is going to have to meet their demands for greater contributions to the cost of care, over and above the subsidy for prescription drugs," Moon said.

Bush's proposal is vague on many points, including the terms for insurers. Tricia Neuman, a vice president of the Kaiser Family Foundation, said the plan would have to provide a windfall for the companies—

"Would have to provide a windfall for the companies."

or too few would participate for the plan to work.

The analysts said drug companies also could be expected to reap huge profits under Bush's approach.

Huge profits under Bush's approach. We have to ask ourselves: Is that the purpose of Medicare? Is that the purpose of health care? Is it the same as purchasing a pair of tennis shoes, purchasing soup, purchasing a new shirt so that we are talking about what profit margin we have off our Medicare recipients, or is the goal to make sure we have quality health care for every senior citizen?

I believe it is our responsibility to make sure this is a streamline system with as few dollars as possible going into administration and that the dollars should go directly to health care for our seniors, not into huge profits. We welcome profits in many areas. We need profits in our economy. We want businesses to be successful. But when we are talking about Medicare, we have a different priority in what we need to do to help our seniors make sure they have care.

To continue with the article:

Bruce C. Vladeck, who was President Clinton's head of the federal agency that runs Medicare, said Bush's plan "strikes me as the kind of proposal that pharmaceutical companies would write if they were writing their own bill."

These are the kind of comments we heard last year when we were debating prescription drug coverage and were told—in fact, we heard comments coming from staff in the House quoted in the paper as to how they were running their proposals by the pharmaceutical industry to make sure they were OK. It is clear this one is OK, and we should all be very concerned about who we are trying to help.

Continuing to quote:

"A slew of private health plans would have nowhere near the negotiating power that Medicare would have if there was national drugs benefit," said Vladeck, now a health